



# **ARIZONA DEPARTMENT OF REVENUE**

## **MEMORANDUM**

**DATE:** January 9, 2006

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### ***October 2005 TAX FACTS***

#### **SUMMARY OF GENERAL FUND REVENUES**

|   | <u>October 2005</u> | <u>Fiscal Year<br/>Total</u> |
|---|---------------------|------------------------------|
| <b>Individual Income Tax</b>                                |                     |                              |
| Net Collections   | \$225,805,048       | \$ 930,109,726               |
| Percent Change  | 30.9%               | 28.1%                        |
| <b>Corporate Income Tax</b>                                 |                     |                              |
| Net Collections   | \$ 37,323,220       | \$ 266,411,405               |
| Percent Change  | 6.3%                | 33.4%                        |
| <b>Transaction Privilege,<br/>Severance &amp; Use Taxes</b> |                     |                              |
| Net Collections   | \$344,584,769       | \$1,370,195,559              |
| Change  | 17.1%               | 17.1%                        |
| <b>Total Big Three Tax Types</b>                            |                     |                              |
| Net Collections   | \$607,713,037       | \$2,566,716,690              |
| Percent Change  | 20.9%               | 22.9%                        |

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be distributed.

# TAX FACTS

## October 2005

### INDIVIDUAL INCOME TAX

#### Individual Income Tax Receipts

|                        |           | October 2005       | October 2004          | % Change    |
|------------------------|-----------|--------------------|-----------------------|-------------|
| Gross Collections      | \$        | 43,730,474         | \$ 27,192,307         | 60.8        |
| Withholding            | \$        | 233,132,229        | \$ 187,072,940        | 24.6        |
| Refunds                | \$        | (15,621,911)       | \$ (10,642,937)       | 46.8        |
| Urban Revenue Sharing  | \$        | (35,435,744)       | \$ (31,089,382)       | 14.0        |
| <b>Net Collections</b> | <b>\$</b> | <b>225,805,048</b> | <b>\$ 172,532,928</b> | <b>30.9</b> |

  

|                        |           | Fiscal Year Total (05/06) | Fiscal Year Total (04/05) | % Change    |
|------------------------|-----------|---------------------------|---------------------------|-------------|
| Gross Collections      | \$        | 203,403,133               | \$ 138,398,823            | 47.0        |
| Withholding            | \$        | 925,025,552               | \$ 763,228,460            | 21.2        |
| Refunds                | \$        | (56,575,983)              | \$ (51,430,939)           | 10.0        |
| Urban Revenue Sharing  | \$        | (141,742,976)             | \$ (124,357,526)          | 14.0        |
| <b>Net Collections</b> | <b>\$</b> | <b>930,109,726</b>        | <b>\$ 725,838,818</b>     | <b>28.1</b> |

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In October 2005, the Department did not issue any individual or corporate income tax refunds alternative fuel-related credits.

#### Ladewig Refunds

In October 2005, the department issued 315 warrants totaling \$101,423 for Ladewig, a Superior Court tax settlement case. For the fiscal year, 306,104 refunds have been issued for a total of \$42,256,678. Attorney payments are not included in the refund amount and total \$4,853,277 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

#### Individual Income Tax Document Count

In calendar year 2004, the following individual income tax returns were filed:

|   | 140X   | 140       | 140NR  | 140PY   | 140NPR | 141 & 141AZ | 140A    | 140PTC | 140EZ   | 140ET | OTHER | TOTAL     |
|---|--------|-----------|--------|---------|--------|-------------|---------|--------|---------|-------|-------|-----------|
| # | 46,264 | 1,575,957 | 88,795 | 102,431 | 3      | 44,198      | 297,353 | 13,315 | 197,269 | 2,625 | 13    | 2,368,223 |
| % | 1.9    | 66.5      | 3.7    | 4.3     | 0.0    | 1.9         | 12.6    | 0.6    | 8.3     | 0.1   | 0.0   |           |

In calendar year 2005 the number of returns filed, and processed, are as follows:

|   | 140X   | 140       | 140NR  | 140PY   | 140NPR | 141 & 141AZ | 140A    | 140PTC | 140EZ   | 140ET | OTHER | TOTAL     |
|---|--------|-----------|--------|---------|--------|-------------|---------|--------|---------|-------|-------|-----------|
| # | 42,625 | 1,638,985 | 86,725 | 113,928 | 0      | 40,127      | 276,850 | 12,855 | 187,890 | 3,152 | 9     | 2,403,146 |
| % | 1.8    | 68.2      | 3.6    | 4.7     | 0.0    | 1.7         | 11.5    | 0.5    | 7.8     | 0.1   | 0.0   |           |

The 2,403,146 returns, representing current and prior tax years, filed through October 2005 compares to 2,309,224 returns filed during the same period of time in 2004 for an annual increase of 4.1%. For tax year 2004 filed in 2005, 2,290,338 returns have been filed, a 4.1% increase over filings in October 2004 for tax year 2003.

### **Year-Over-Year Comparison of Resident Taxpayers**

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,608,918 returns in calendar year 2005 for tax year 2004 from filers who also have returns on record from calendar year 2004 with the same marital status. On average, these filers experienced a 10.2% increase in FAGI and a 17.6% increase in tax liability. More specifically, 32.4% of these filers experienced a decrease in tax liability; on average a decrease of 20.3% with a corresponding average decrease in FAGI of 36.4%. Filers with an increase in tax liability totaled 884,648 or 55.0% with an average FAGI increase of 32.8% and an average tax liability increase of 62.6%.

### **Average Individual Income Tax Refund**

Net of Ladewig refunds.

|           | Average  | Number    |
|-----------|----------|-----------|
| 2005 CYTD | \$499.94 | 1,462,199 |
| 2004 CYTD | \$504.97 | 1,479,914 |
| % Change  | (1.0%)   | (1.2%)    |

### **"New" Filers in Calendar Year 2005**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2005. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 255,074 "new" returns have been filed thus far in 2005, representing approximately 310,068 persons, not including dependents. The average Federal Adjusted Gross Income is \$21,617 with an average tax liability of \$373. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.9% had a married filing joint filing status, 7.5% claimed a 65 and Over Exemption and 34.1% claimed dependents.

### **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES from October 2005 for tax year 2004 was \$401,005,199 million, for an average of \$2,100. An additional \$75.2 million in estimated payments came from 2003 tax returns that applied their refunds as a 2004 estimated payment, for an average of \$1,849. Estimated payments received through October 2005 for tax year 2005 are as follows:

|             |                 |    |              |            |    |             |
|-------------|-----------------|----|--------------|------------|----|-------------|
| 10/05       | 140ES payment   | \$ | 68,345,307   | Cumulative | \$ | 281,314,047 |
| 10/04       | 140ES payment   | \$ | 8,246,488    | Cumulative | \$ | 201,284,016 |
|             | % change        |    | <b>728.8</b> |            |    | <b>39.8</b> |
| 10/05       | Average payment | \$ | 2,740        | Cumulative | \$ | 1,850       |
| 10/04       | Average payment | \$ | 1,836        | Cumulative | \$ | 1,493       |
|             | % change        |    | <b>49.2</b>  |            |    | <b>23.9</b> |
| 10/05       | Applied refund  | \$ | 11,685,533   | Cumulative | \$ | 50,364,650  |
| 10/04       | Applied refund  | \$ | 6,939,398    | Cumulative | \$ | 43,213,839  |
|             | % change        |    | <b>68.4</b>  |            |    | <b>16.5</b> |
| Total 10/05 |                 | \$ | 80,030,840   | Cumulative | \$ | 331,678,697 |
| Total 10/04 |                 | \$ | 15,185,886   | Cumulative | \$ | 244,497,855 |
|             | % change        |    | <b>427.0</b> |            |    | <b>35.7</b> |

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2004 through March 2005, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2004, which shows an increase of 6.8% in withholding payments over the third quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

|                              |       |                              |       |
|------------------------------|-------|------------------------------|-------|
| 4 <sup>th</sup> Quarter 2004 | 10.8% | 2 <sup>nd</sup> Quarter 2005 | 7.1%  |
| 1 <sup>st</sup> Quarter 2005 | 11.0% | 3 <sup>rd</sup> Quarter 2005 | 28.5% |
|                              |       | 4 <sup>th</sup> Quarter 2005 | 20.8% |

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

|                    | Number | Amount      | Average |
|--------------------|--------|-------------|---------|
| Calendar Year 2005 | 14,737 | \$5,218,229 | \$354   |
| Calendar Year 2004 | 15,006 | \$5,287,969 | \$352   |
| % Change           | (1.8)  | (1.3)       | 0.6     |

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2004:

|                    | October 2005 | Calendar Year Total |
|--------------------|--------------|---------------------|
| Check Off          | \$74,767     | \$4,638,646         |
| Voluntary Donation | \$569        | \$51,367            |
| Number of Returns  | 38,653       | 638,578             |

### **Contributions on the Individual Income Tax Return**

Through October 2005, individual income tax return filers have made the following contributions:

|                           | Number | Amount     | Average  |
|---------------------------|--------|------------|----------|
| Wildlife                  | 9,547  | \$ 170,252 | \$ 17.83 |
| Child Abuse               | 10,539 | \$ 195,036 | \$ 18.51 |
| Special Olympics          | 5,027  | \$ 82,750  | \$ 16.46 |
| Neighbors Helping         | 2,980  | \$ 39,929  | \$ 13.40 |
| AID to Education          | 727    | \$ 33,632  | \$ 46.26 |
| Domestic Violence Shelter | 7,747  | \$ 143,535 | \$ 18.53 |
| Democratic Party          | 1009   | \$ 22,827  | \$ 22.62 |
| Republican Party          | 684    | \$ 16,488  | \$ 24.11 |
| Libertarian Party         | 83     | \$ 2,334   | \$ 28.13 |

## CORPORATE INCOME TAX

### Corporate Income Tax Receipts

|                        | Oct 2005            | Oct 2004             | % Change   |
|------------------------|---------------------|----------------------|------------|
| Gross Collections      | \$40,819,754        | \$128,929,320        | (0.7)      |
| Refunds                | (\$3,496,533)       | (\$6,570,919)        | (41.8)     |
| <b>Net Collections</b> | <b>\$37,323,220</b> | <b>\$122,358,400</b> | <b>6.3</b> |

  

|                        | Fiscal Year Total    | Prior Fiscal Year Total | % Change    |
|------------------------|----------------------|-------------------------|-------------|
| Gross Collections      | \$282,208,063        | \$177,891,090           | 28.9        |
| Refunds                | (\$15,796,658)       | (\$13,286,337)          | (18.1)      |
| <b>Net Collections</b> | <b>\$266,411,405</b> | <b>\$164,604,753</b>    | <b>33.4</b> |

### Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

|          |              |                     |               |
|----------|--------------|---------------------|---------------|
| Oct 2005 | \$29,273,999 | Calendar Year Total | \$527,880,684 |
| Oct 2004 | \$27,143,731 | Calendar Year Total | \$394,107,292 |
| % Change | 7.8%         | % Change            | 33.9%         |

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for October 2005 and for the calendar year.

| Size of Payment<br>➔ | Less than<br>\$50,000 | \$50,000<br>up to<br>\$100,000 | \$100,000<br>up to<br>\$500,000 | \$500,000<br>up to<br>\$1,000,000 | \$1,000,000<br>up to<br>\$10,000,000 | \$10,000,00<br>0 and<br>more | Total | %<br>chg |
|----------------------|-----------------------|--------------------------------|---------------------------------|-----------------------------------|--------------------------------------|------------------------------|-------|----------|
| Oct 2005             | 164                   | 30                             | 28                              | 3                                 | 5                                    | 0                            | 230   | (5.4)    |
| Oct 2004             | 189                   | 20                             | 28                              | 3                                 | 3                                    | 0                            | 243   |          |
| CY 2005              | 2,503                 | 397                            | 486                             | 86                                | 76                                   | 1                            | 3,549 | 14.7     |
| CY 2004              | 2,287                 | 321                            | 373                             | 53                                | 58                                   | 1                            | 3,093 |          |

### **NEW INFORMATION**

The next table shows the dollars of estimated payments received from those counts above.

| Size of Payment<br>➔ | Less than<br>\$50,000 | \$50,000 up<br>to \$100,000 | \$100,000 up<br>to \$500,000 | \$500,000 up<br>to \$1,000,000 | \$1,000,000<br>and more | Total        | % chg |
|----------------------|-----------------------|-----------------------------|------------------------------|--------------------------------|-------------------------|--------------|-------|
| Oct 2005             | \$2,050,541           | \$2,176,648                 | \$6,755,935                  | \$2,000,000                    | \$12,923,300            | \$25,906,424 | 9.7%  |
| Oct 2004             | \$1,701,926           | \$1,502,142                 | \$5,712,741                  | \$2,496,750                    | \$12,210,466            | \$23,624,024 |       |

### Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 03/04 by corporate fiscal year. For example, in FY 04/05, 19.2% of the refund dollars paid were for corporate fiscal years ending in 2000 or before. The percentages are for refunds paid through the fiscal year.

|                                   |                       |           |           |           |           |           |
|-----------------------------------|-----------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Corporate Fiscal Year-End:</b> | <b>00 &amp; Prior</b> | <b>01</b> | <b>02</b> | <b>03</b> | <b>04</b> | <b>05</b> |
| FY 04/05                          | 19.2%                 | 4.5%      | 3.8%      | 48.9%     | 23.4%     | 0.4%      |
| <b>Corporate Fiscal Year-End:</b> | <b>01 &amp; Prior</b> | <b>02</b> | <b>03</b> | <b>04</b> | <b>05</b> | <b>06</b> |
| FY 05/06                          | 35.8%                 | 9.0%      | 3.3%      | 43.9%     | 8.0%      | 0.0%      |

### **Corporate Refunds**

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

|          |                     |                     |                     |
|----------|---------------------|---------------------|---------------------|
| Oct 2005 | \$12,301,528        | Calendar Year Total | \$58,466,540        |
| Oct 2004 | <u>\$26,019,689</u> | Calendar Year Total | <u>\$83,555,536</u> |
| % Change | (52.7%)             | % Change            | (30.0%)             |

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 108,944 corporate returns showing a fiscal year-end of 2003. The type of return received is indicated below:

|   | <b>120 X<br/>(amended)</b> | <b>120 (regular)</b> | <b>120S (S corp)</b> | <b>99T (exempt<br/>org.)</b> | <b>120 A (short form)</b> |
|---|----------------------------|----------------------|----------------------|------------------------------|---------------------------|
| # | 310                        | 34,904               | 61,775               | 391                          | 11,564                    |
| % | 0.3                        | 32.0                 | 56.7                 | 0.4                          | 10.6                      |

Through October, 2005, 100,621 documents were received for a fiscal year-end of 2004, distributed as follows:

|   | <b>120 X<br/>(amended)</b> | <b>120 (regular)</b> | <b>120S (S corp)</b> | <b>99T (exempt<br/>org.)</b> | <b>120 A (short form)</b> |
|---|----------------------------|----------------------|----------------------|------------------------------|---------------------------|
| # | 195                        | 30,308               | 58,723               | 308                          | 11,087                    |
| % | 0.2                        | 30.1                 | 58.4                 | 0.3                          | 11.0                      |

The figures for the 2004 returns are most meaningful when compared to 2003 returns received during the same period of time in the previous year. Through October 2004, the Department of Revenue received 101,030 documents with a fiscal year-end of 2003. Compared to 2004 documents, the Department has seen a 0.4% **decrease** in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2005/06 is 15.0% of net proceeds from Fiscal Year 2003/04 income tax. Amounts returned for October 2005 are shown on Table 2, at the end of this report.

---

---

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

### **Transaction Privilege, Severance and Use Tax Receipts (continued)**

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

|                          | <b>October 2005</b>  | <b>October 2004</b>  | <b>% change</b> |
|--------------------------|----------------------|----------------------|-----------------|
| Distribution Base        | \$136,484,786        | \$118,605,189        | 15.1            |
| Non shared               | 269,387,078          | 232,631,491          | 15.8            |
| Use Tax                  | 28,124,088           | 20,607,802           | 36.5            |
| Education Tax            | 50,766,184           | 43,408,531           | 16.9            |
| Other Revenues           | 57,887,923           | 49,860,789           | 16.1            |
| <b>Total Collections</b> | <b>\$542,650,059</b> | <b>\$465,113,802</b> | <b>16.7</b>     |

  

|                          | <b>Fiscal Year Total (05/06)</b> | <b>Fiscal Year Total (04/05)</b> | <b>% change</b> |
|--------------------------|----------------------------------|----------------------------------|-----------------|
| Distribution Base        | \$548,420,273                    | \$469,369,998                    | 16.8            |
| Non shared               | 1,076,436,792                    | 920,588,356                      | 16.9            |
| Use Tax                  | 104,608,614                      | 87,941,767                       | 19.0            |
| Education Tax            | 203,576,168                      | 173,095,299                      | 17.6            |
| Other Revenues           | 230,270,631                      | 196,895,362                      | 17.0            |
| <b>Total Collections</b> | <b>\$2,163,312,478</b>           | <b>\$1,847,890,781</b>           | <b>17.1</b>     |

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

|                          | <b>October 2005</b> | <b>October 2004</b> | <b>% change</b> |
|--------------------------|---------------------|---------------------|-----------------|
| Retained by State        | 344,584,769         | 294,146,223         | 17.1            |
| Returned to Counties     | 55,289,987          | 48,046,962          | 15.1            |
| Returned to Cities       | 34,121,196          | 29,651,297          | 15.1            |
| Education Tax            | 50,766,184          | 43,408,531          | 16.9            |
| Other Revenues           | 57,887,923          | 49,860,789          | 16.1            |
| <b>Total Collections</b> | <b>542,650,059</b>  | <b>465,113,802</b>  | <b>16.7</b>     |

  

|                          | <b>Fiscal Year Total (05/06)</b> | <b>Fiscal Year Total (04/05)</b> | <b>% change</b> |
|--------------------------|----------------------------------|----------------------------------|-----------------|
| Retained by State        | 1,370,195,559                    | 1,170,415,834                    | 17.1            |
| Returned to Counties     | 222,165,052                      | 190,141,786                      | 16.8            |
| Returned to Cities       | 137,105,068                      | 117,342,500                      | 16.8            |
| Education Tax            | 203,576,168                      | 173,095,299                      | 17.6            |
| Other Revenues           | 230,270,631                      | 196,895,362                      | 17.0            |
| <b>Total Collections</b> | <b>2,163,312,478</b>             | <b>1,847,890,781</b>             | <b>17.1</b>     |

## Transaction Privilege and Severance Tax Collections By Class

|                               | Tax Rate                        | October 2005         | % Chg        | Fiscal Year Total      | % Chg        |
|-------------------------------|---------------------------------|----------------------|--------------|------------------------|--------------|
| Transporting                  | 5.6                             | \$226,606            | 4.6%         | \$1,069,354            | 4.8%         |
| Non-Metal Mining Oil/Gas      | 3.125%                          | 1,154,433            | 53.5%        | 3,951,250              | 26.7%        |
| Utilities                     | 5.6%                            | 38,875,311           | 9.9%         | 152,105,556            | 10.3%        |
| Communications                | 5.6%                            | 12,808,910           | 8.4%         | 51,516,306             | 5.1%         |
| Private Car/Pipelines         | 5.6%                            | 68,127               | (0.3%)       | 801,109                | 211.8%       |
| Publishing                    | 5.6%                            | 687,734              | 12.9%        | 2,615,481              | 12.9%        |
| Job Printing                  | 5.6%                            | 1,652,989            | 8.2%         | 6,377,633              | 8.9%         |
| Restaurants & Bars            | 5.6%                            | 34,327,319           | 15.2%        | 134,514,807            | 13.7%        |
| Amusements                    | 5.6%                            | 2,727,671            | 5.8%         | 13,008,038             | 8.2%         |
| Commercial Lease              | 0%                              | (48)                 | N/A          | (3,340)                | N/A          |
| Rental of Personal Property   | 5.6%                            | 14,003,771           | 9.7%         | 56,089,415             | 5.7%         |
| Contracting                   | 3.75% - 5.6%                    | 82,961,163           | 26.5%        | 323,365,803            | 25.8%        |
| Feed Wholesale                | Repealed                        | 0                    | N/A          | 0                      | N/A          |
| Retail                        | 5.6%                            | 205,664,569          | 13.5%        | 837,294,215            | 16.8%        |
| Mining Severance              | 2.5%                            | 1,949,017            | 57.3%        | 8,261,886              | 89.2%        |
| Timber Severance              | \$2.13/\$1.51 per 1000 board ft | 640                  | (18.8%)      | 6,163                  | 93.2%        |
| Hotel/Motel                   | 5.5%                            | 8,323,107            | 13.9%        | 30,829,872             | 13.8%        |
| Membership Camping            | 5.6%                            | 6,522                | (38.6%)      | 26,659                 | 10.3%        |
| Use Tax                       | 5.6%                            | 28,124,088           | 36.5%        | 104,608,614            | 19.0%        |
| Rental Occupancy Tax          | 3.0%                            | 12,000               | 1047.0%      | 43,431                 | N/A          |
| Jet Fuel                      |                                 | 404,295              | 12.2%        | 2,051,127              | 30.5%        |
| Jet Fuel Use Tax              | \$.0305/\$.0105 gal             | 10,071               |              | 112,317                | (17.4%)      |
| Telecommunications Devices    | 1.1                             |                      |              |                        |              |
| Telecomm                      | ----                            | 261,403              | (23.0%)      | 1,119,257              | (20.4%)      |
| School for the Deaf and Blind |                                 | 61,506               | (46.4%)      | 351,663                | (25.8%)      |
| Poison Control                | ----                            | 96,104               | 7.0%         | 323,182                | (12.9%)      |
| Teratogen Funding             |                                 | 3,844                | (23.0%)      | 16,460                 | 9.0%         |
| 911 Wireline                  | \$0.37/month per active service | 1,115,247            | 2.0%         | 4,613,056              | 1.7%         |
| 911 Wireless                  | \$0.37/month per active service | 1,224,694            | 16.8%        | 3,556,582              | (15.5%)      |
| <b>Total</b>                  |                                 | <b>\$436,751,093</b> | <b>16.6%</b> | <b>\$1,738,625,896</b> | <b>16.8%</b> |

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

## Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>

|                             | Oct-05        | % Chg | Fiscal Year Total | % Chg  |
|-----------------------------|---------------|-------|-------------------|--------|
| Transporting                | \$4,550,452   | 5.0%  | \$21,424,793      | 4.9%   |
| Non-Metal Mining Oil/Gas    | 37,028,025    | 53.8% | 126,646,445       | 26.8%  |
| Utilities                   | 779,800,752   | 10.2% | 3,046,450,302     | 10.4%  |
| Communications              | 256,987,195   | 8.7%  | 1,032,198,797     | 5.2%   |
| Private Car/Pipelines       | 1,379,343     | 1.0%  | 16,045,243        | 212.0% |
| Publishing                  | 13,798,458    | 13.0% | 52,410,341        | 13.0%  |
| Job Printing                | 33,160,776    | 8.6%  | 127,784,262       | 9.0%   |
| Restaurants & Bars          | 688,631,379   | 15.6% | 2,695,396,983     | 13.8%  |
| Amusements                  | 54,781,344    | 6.2%  | 260,734,415       | 8.3%   |
| Commercial Lease            | (1,088)       | N/A   | (111,729)         | N/A    |
| Rental of Personal Property | 281,045,903   | 10.1% | 1,123,914,874     | 5.8%   |
| Contracting                 | 1,674,482,076 | 27.1% | 6,515,494,097     | 25.9%  |

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.



### Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup> continued

|                      | October 2005           | % Chg        | Fiscal Year Total       | % Chg        |
|----------------------|------------------------|--------------|-------------------------|--------------|
| Feed Wholesale       | 0                      | N/A          | 0                       | N/A          |
| Retail               | 4,126,716,422          | 13.9%        | 16,777,932,181          | 16.9%        |
| Mining Severance     | 78,233,823             | 57.9%        | 331,031,160             | 89.4%        |
| Timber Severance     | 302                    | (18.4%)      | 2,928                   | 83.4%        |
| Hotel/Motel          | 151,767,464            | 14.2%        | 561,820,875             | 14.0%        |
| Membership Camping   | 130,963                | (38.4%)      | 534,405                 | 10.2%        |
| Use Tax              | 566,553,421            | 37.4%        | 2,100,535,167           | 19.3%        |
| Rental Occupancy Tax | 401,162                | 1050.3%      | 1,450,224               | N/A          |
| <b>Total</b>         | <b>\$8,749,448,173</b> | <b>17.4%</b> | <b>\$34,791,695,765</b> | <b>17.3%</b> |

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### Accounting Credit

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. Due to our new processing system, the report needed to provide this data is not available.

### Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

### Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for October 2005 is shown in the County Share column.

|              | County Share        | % of Total | FYTD County Share    | % Change     |
|--------------|---------------------|------------|----------------------|--------------|
| Apache       | \$425,601           | 0.8%       | 1,702,740            | 18.0%        |
| Cochise      | 958,714             | 1.7%       | 4,894,635            | 43.2%        |
| Coconino     | 1,411,318           | 2.6%       | 4,820,495            | (8.4%)       |
| Gila         | 444,880             | 0.8%       | 1,762,779            | 18.2%        |
| Graham       | 253,802             | 0.5%       | 1,011,202            | 16.8%        |
| Greenlee     | 277,935             | 0.5%       | 1,033,994            | 29.3%        |
| La Paz       | 156,445             | 0.3%       | 641,532              | 17.6%        |
| Maricopa     | 35,366,223          | 64.0%      | 142,246,653          | 16.8%        |
| Mohave       | 1,678,987           | 3.0%       | 6,559,301            | 19.5%        |
| Navajo       | 896,162             | 1.6%       | 3,581,896            | 15.6%        |
| Pima         | 8,029,530           | 14.5%      | 32,391,479           | 14.8%        |
| Pinal        | 1,660,531           | 3.0%       | 6,468,946            | 26.8%        |
| Santa Cruz   | 350,647             | 0.6%       | 1,423,674            | 18.4%        |
| Yavapai      | 1,981,572           | 3.6%       | 8,050,516            | 20.5%        |
| Yuma         | 1,397,638           | 2.5%       | 5,575,210            | 16.3%        |
| <b>Total</b> | <b>\$55,289,987</b> |            | <b>\$222,165,052</b> | <b>16.8%</b> |

### Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for October 2005 is shown on Table 3, attached to this report.

## **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during September 2005 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

|            | Road Tax   | Excise Tax | Jail Tax   | Rental Car<br>Surcharge | Stadium<br>Tax | RV<br>Surcharge | Hospital<br>Tax/Health<br>Svcs Dist | Capitol<br>Projects | Tourism<br>Authority |
|------------|------------|------------|------------|-------------------------|----------------|-----------------|-------------------------------------|---------------------|----------------------|
| Apache     |            | 125,409    |            |                         |                |                 |                                     |                     |                      |
| Cochise    |            | 552,287    |            |                         |                |                 |                                     |                     |                      |
| Coconino   |            | 1,022,910  | 613,746    |                         |                |                 |                                     | 254,812             |                      |
| Gila       | 281,352    | 273,592    |            |                         |                |                 |                                     |                     |                      |
| Graham     |            | 120,999    |            |                         |                |                 |                                     |                     |                      |
| Greenlee   |            | 121,930    |            |                         |                |                 |                                     |                     |                      |
| La Paz     |            | 86,141     | 86,141     |                         |                |                 | 175                                 |                     |                      |
| Maricopa   | 29,502,053 |            | 10,818,353 | 405,963                 | 268            |                 |                                     |                     | 1,252,961            |
| Mohave     |            | 681,193    |            |                         |                |                 |                                     |                     |                      |
| Navajo     |            | 595,460    |            |                         |                |                 |                                     |                     |                      |
| Pima       |            |            |            | 80,498                  |                | 10,440          |                                     |                     |                      |
| Pinal      | 1,457,670  | 1,432,240  |            |                         |                |                 |                                     |                     |                      |
| Santa Cruz |            | 237,051    |            |                         |                |                 |                                     |                     |                      |
| Yavapai    |            | 1,313,369  | 656,542    |                         |                |                 |                                     |                     |                      |
| Yuma       |            | 916,000    | 916,002    |                         |                |                 | 173,903                             | 915,002             |                      |

## **OTHER TAXES**

### **Luxury Taxes**

The following revenues were received from luxury taxes in October 2005. The table compares the receipts to October 2004 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

|                  | October 2005         | October 2004         | % Change   |
|------------------|----------------------|----------------------|------------|
| Spirituous       | \$ 1,790,928         | \$ 1,733,944         | 3.3        |
| Vinous           | \$ 894,563           | \$ 805,057           | 11.1       |
| Malt             | \$ 1,958,399         | \$ 2,310,327         | (15.2)     |
| Cigarette        | \$ 22,910,178        | \$ 22,069,040        | 3.8        |
| Other Tobacco    | \$ 698,802           | \$ 469,762           | 48.8       |
| Tobacco Licenses | \$ 575               | \$ 550               | 4.5        |
| <b>Total</b>     | <b>\$ 28,253,445</b> | <b>\$ 27,388,680</b> | <b>3.2</b> |

  

|                  | Fiscal Year (05/06)   | Fiscal Year (04/05)   | % Change   |
|------------------|-----------------------|-----------------------|------------|
| Spirituous       | \$ 7,442,346          | \$ 7,081,684          | 5.1        |
| Vinous           | \$ 3,219,739          | \$ 2,844,905          | 13.2       |
| Malt             | \$ 7,672,734          | \$ 7,903,570          | (2.9)      |
| Cigarette*       | \$ 94,762,978         | \$ 90,449,891         | 4.8        |
| Other Tobacco    | \$ 3,094,717          | \$ 2,593,838          | 19.3       |
| Tobacco Licenses | \$ 1,975              | \$ 1,425              | 38.6       |
| <b>Total</b>     | <b>\$ 116,194,489</b> | <b>\$ 110,875,313</b> | <b>4.8</b> |

\*Through October 2005, \$456,700 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

**General Fund revenues from luxury taxes:**

|                  | <b>October 2005</b> | <b>Fiscal Year (05/06)</b> |
|------------------|---------------------|----------------------------|
| Spirituous       | \$ 1,253,649        | \$ 5,209,642               |
| Vinous           | \$ 222,868          | \$ 802,132                 |
| Malt             | \$ 489,600          | \$ 1,918,183               |
| Cigarette        | \$ 3,001,702        | \$ 12,689,644              |
| Other Tobacco    | \$ 108,319          | \$ 479,686                 |
| Tobacco Licenses | \$ 575              | \$ 1,975                   |
| <b>Total</b>     | <b>\$ 5,076,713</b> | <b>\$ 21,101,262</b>       |

**Other dedicated revenues from luxury taxes:**

|   | <b>October 2005</b> | <b>Fiscal Year (05/06)</b> |
|---|---------------------|----------------------------|
| Correction Fund revenues                    | \$ 2,266,652        | \$ 8,994,991               |
| Tobacco Tax & Health Care Fund <sup>2</sup> | \$ 8,037,233        | \$ 33,203,818              |
| Tobacco Products Tax Fund <sup>3</sup>      | \$ 11,978,194       | \$ 49,418,659              |
| Wine Promotional Fund revenues              | \$ 3,092            | \$ 11,209                  |
| Drug Treatment & Education Fund revenues    | \$ 638,342          | \$ 2,751,030               |
| Corrections Revolving Fund revenues         | \$ 253,219          | \$ 984,959                 |

=====

==

**Estate Tax**

|              |              |                     |               |
|--------------|--------------|---------------------|---------------|
| October 2005 | \$ 98,144    | Fiscal Year to Date | \$ 9,028,813  |
| October 2004 | \$ 2,266,156 | Fiscal Year to Date | \$ 15,020,648 |
| % Change     | (95.7)       | % Change            | (39.9)        |

**Bingo**

|              |          |                     |           |
|--------------|----------|---------------------|-----------|
| October 2005 | \$64,615 | Fiscal Year to Date | \$208,663 |
| October 2004 | \$60,992 | Fiscal Year to Date | \$206,299 |
| % Change     | 5.9      | % Change            | 1.1       |

**Unclaimed  
Property**

|              |             |                     |              |
|--------------|-------------|---------------------|--------------|
| October 2005 | \$8,489,719 | Fiscal Year to Date | \$13,838,676 |
| October 2004 | \$6,101,214 | Fiscal Year to Date | \$7,904,338  |
| % Change     | 39.1        | % Change            | 75.1         |

Please note that some totals throughout Tax Facts may not add due to rounding.

<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

**TABLE 1**  
**“New” Returns Filed in 2005 for Tax Year 2004**  
**Through October 2005**

| Federal Adjusted<br>Gross Income Bracket | Number<br>of<br>Returns | % of<br>Total | Average<br>FAGI  | Average<br>Tax Due | CHARACTERISTICS OF TAXPAYERS |              |                        |                          |              |                         |
|--|-------------------------|---------------|------------------|--------------------|------------------------------|--------------|------------------------|--------------------------|--------------|-------------------------|
|  |                         |               |                  |                    | %<br>Married<br>Joint        | %<br>Single  | %<br>Unmarried<br>Head | %<br>Married<br>Separate | %<br>Over 65 | %<br>With<br>Dependents |
| Negative FAGI                            | 2,839                   | 1.1%          | -\$19,098        | \$5                | 18.3%                        | 73.8%        | 5.2%                   | 2.7%                     | 13.0%        | 13.0%                   |
| <b>\$0-\$5,000</b>                       | <b>51,507</b>           | <b>20.2%</b>  | <b>\$2,735</b>   | <b>\$0</b>         | <b>4.3%</b>                  | <b>84.4%</b> | <b>10.4%</b>           | <b>0.9%</b>              | <b>4.4%</b>  | <b>16.0%</b>            |
| \$5,000-\$10,000                         | 52,413                  | 20.5%         | \$7,382          | \$25               | 6.6%                         | 74.6%        | 17.6%                  | 1.2%                     | 5.6%         | 25.5%                   |
| <b>\$10,000-\$15,000</b>                 | <b>36,775</b>           | <b>14.4%</b>  | <b>\$12,372</b>  | <b>\$93</b>        | <b>12.9%</b>                 | <b>58.7%</b> | <b>26.7%</b>           | <b>1.7%</b>              | <b>8.1%</b>  | <b>38.0%</b>            |
| \$15,000-\$20,000                        | 27,023                  | 10.6%         | \$17,365         | \$168              | 20.1%                        | 48.9%        | 28.8%                  | 2.2%                     | 8.3%         | 43.6%                   |
| <b>\$20,000-\$25,000</b>                 | <b>18,893</b>           | <b>7.4%</b>   | <b>\$22,395</b>  | <b>\$273</b>       | <b>24.7%</b>                 | <b>44.0%</b> | <b>28.5%</b>           | <b>2.8%</b>              | <b>7.6%</b>  | <b>46.7%</b>            |
| \$25,000-\$30,000                        | 13,590                  | 5.3%          | \$27,390         | \$392              | 27.7%                        | 42.3%        | 26.5%                  | 3.5%                     | 7.5%         | 46.5%                   |
| <b>\$30,000-\$40,000</b>                 | <b>17,777</b>           | <b>7.0%</b>   | <b>\$34,519</b>  | <b>\$555</b>       | <b>35.1%</b>                 | <b>38.1%</b> | <b>22.8%</b>           | <b>4.0%</b>              | <b>8.1%</b>  | <b>46.0%</b>            |
| \$40,000-\$50,000                        | 10,505                  | 4.1%          | \$44,569         | \$787              | 46.0%                        | 32.7%        | 17.7%                  | 3.5%                     | 9.9%         | 47.2%                   |
| <b>\$50,000-\$75,000</b>                 | <b>13,482</b>           | <b>5.3%</b>   | <b>\$60,560</b>  | <b>\$1,157</b>     | <b>61.5%</b>                 | <b>24.7%</b> | <b>11.4%</b>           | <b>2.5%</b>              | <b>12.5%</b> | <b>47.1%</b>            |
| \$75,000-\$100,000                       | 5,309                   | 2.1%          | \$85,690         | \$1,825            | 72.4%                        | 18.6%        | 7.0%                   | 2.0%                     | 15.0%        | 45.7%                   |
| <b>\$100,000-\$200,000</b>               | <b>3,944</b>            | <b>1.5%</b>   | <b>\$129,608</b> | <b>\$3,257</b>     | <b>73.8%</b>                 | <b>18.7%</b> | <b>5.7%</b>            | <b>1.8%</b>              | <b>16.2%</b> | <b>44.1%</b>            |
| \$200,000-\$500,000                      | 833                     | 0.3%          | \$284,771        | \$9,441            | 68.8%                        | 22.6%        | 6.5%                   | 2.0%                     | 19.6%        | 40.0%                   |
| <b>\$500,000-\$1,000,000</b>             | <b>116</b>              | <b>0.0%</b>   | <b>\$661,094</b> | <b>\$33,518</b>    | <b>62.9%</b>                 | <b>25.0%</b> | <b>7.8%</b>            | <b>4.3%</b>              | <b>25.0%</b> | <b>37.1%</b>            |
| \$1,000,000 and over                     | 68                      | 0.0%          | \$2,095,570      | \$107,652          | 61.8%                        | 32.4%        | 1.5%                   | 4.4%                     | 23.5%        | 26.5%                   |
| <b>Total</b>                             | <b>255,074</b>          |               | <b>\$21,617</b>  | <b>\$373</b>       | <b>16.9%</b>                 | <b>48.5%</b> | <b>16.1%</b>           | <b>1.6%</b>              | <b>7.5%</b>  | <b>34.1%</b>            |

\*An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 2004 FOR TAX YEAR 2003**

|              |                |                 |              |              |              |              |             |             |              |
|--------------|----------------|-----------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|
| <b>Total</b> | <b>239,280</b> | <b>\$20,074</b> | <b>\$334</b> | <b>16.5%</b> | <b>49.4%</b> | <b>15.8%</b> | <b>1.7%</b> | <b>7.5%</b> | <b>32.9%</b> |
|--------------|----------------|-----------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|

“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**October 2005**

| City                          | Distribution | Population | City                            | Distribution        | Population       |
|-------------------------------|--------------|------------|---------------------------------|---------------------|------------------|
| <b><u>Apache County</u></b>   |              |            | Surprise                        | \$269,135           | 30,848           |
| Eagar                         | \$23,469     | 4,033      | Tempe                           | \$1,383,930         | 158,625          |
| Springerville                 | \$30,955     | 3,548      | Tolleson                        | \$43,396            | 4,974            |
| St. Johns                     | \$17,205     | 1,972      | Wickenburg                      | \$44,338            | 5,082            |
| <b><u>Cochise County</u></b>  |              |            | Youngtown                       | \$26,261            | 3,010            |
| Benson                        | \$41,101     | 4,711      | <b><u>Mohave County</u></b>     |                     |                  |
| Bisbee                        | \$53,132     | 6,090      | Bullhead City                   | \$294,619           | 33,769           |
| Douglas                       | \$144,156    | 16,523     | Colorado City                   | \$29,088            | 3,334            |
| Huachuca City                 | \$15,277     | 1,751      | Kingman                         | \$175,093           | 20,069           |
| Sierra Vista                  | \$329,569    | 37,775     | Lake Havasu City                | \$365,890           | 41,938           |
| Tombstone                     | \$13,122     | 1,504      | <b><u>Navajo County</u></b>     |                     |                  |
| Willcox                       | \$32,569     | 3,733      | Holbrook                        | \$42,899            | 4,917            |
| <b><u>Coconino County</u></b> |              |            | Pinetop-Lakeside                | \$31,251            | 3,582            |
| Flagstaff                     | \$461,476    | 52,894     | Show Low                        | \$67,135            | 7,695            |
| Fredonia                      | \$9,039      | 1,036      | Snowflake                       | \$38,911            | 4,460            |
| Page                          | \$59,405     | 6,809      | Taylor                          | \$27,709            | 3,176            |
| Williams                      | \$24,795     | 2,842      | Winslow                         | \$83,058            | 9,520            |
| <b><u>Gila County</u></b>     |              |            | <b><u>Pima County</u></b>       |                     |                  |
| Globe                         | \$65,312     | 7,486      | Marana                          | \$118,270           | 13,556           |
| Hayden                        | \$7,782      | 892        | Oro Valley                      | \$278,609           | 31,934           |
| Miami                         | \$16,891     | 1,936      | Sahuarita                       | \$28,285            | 3,242            |
| Payson                        | \$118,828    | 13,620     | South Tucson                    | \$47,898            | 5,490            |
| Winkelman                     | \$3,865      | 443        | Tucson                          | \$4,246,224         | 486,699          |
| <b><u>Graham County</u></b>   |              |            | <b><u>Pinal County</u></b>      |                     |                  |
| Pima                          | \$17,353     | 1,989      | Apache Junction                 | \$277,562           | 31,814           |
| Safford                       | \$80,545     | 9,232      | Casa Grande                     | \$220,068           | 25,224           |
| Thatcher                      | \$35,090     | 4,022      | Coolidge                        | \$67,929            | 7,786            |
| <b><u>Greenlee County</u></b> |              |            | Eloy                            | \$90,517            | 10,375           |
| Clifton                       | \$22,649     | 2,596      | Florence                        | \$150,132           | 17,208           |
| Duncan                        | \$7,084      | 812        | Kearny                          | \$19,621            | 2,249            |
| <b><u>La Paz County</u></b>   |              |            | Mammoth                         | \$15,373            | 1,762            |
| Parker                        | \$27,395     | 3,140      | Maricopa                        | \$43,605            | 4,998            |
| Quartzsite                    | \$29,262     | 3,354      | Superior                        | \$28,390            | 3,254            |
| <b><u>Maricopa County</u></b> |              |            | <b><u>Santa Cruz County</u></b> |                     |                  |
| Avondale                      | \$313,063    | 35,883     | Nogales                         | \$182,151           | 20,878           |
| Buckeye                       | \$74,132     | 8,497      | Patagonia                       | \$7,686             | 881              |
| Carefree                      | \$25,537     | 2,927      | <b><u>Yavapai County</u></b>    |                     |                  |
| Cave Creek                    | \$32,525     | 3,728      | Camp Verde                      | \$82,456            | 9,451            |
| Chandler                      | \$1,543,711  | 176,939    | Chino Valley                    | \$71,253            | 8,167            |
| El Mirage                     | \$66,385     | 7,609      | Clarkdale                       | \$29,855            | 3,422            |
| Fountain Hills                | \$176,541    | 20,235     | Cottonwood                      | \$80,083            | 9,179            |
| Gila Bend                     | \$17,275     | 1,980      | Dewey-Humboldt                  | \$29,908            | 3,428            |
| Gilbert                       | \$957,056    | 109,697    | Jerome                          | \$2,870             | 329              |
| Glendale                      | \$1,909,034  | 218,812    | Prescott                        | \$296,093           | 33,938           |
| Goodyear                      | \$164,990    | 18,911     | Prescott Valley                 | \$205,332           | 23,535           |
| Guadalupe                     | \$45,612     | 5,228      | Sedona                          | \$88,920            | 10,192           |
| Litchfield Park               | \$33,240     | 3,810      | <b><u>Yuma County</u></b>       |                     |                  |
| Mesa                          | \$3,470,412  | 397,776    | San Luis                        | \$133,677           | 15,322           |
| Paradise Valley               | \$119,212    | 13,664     | Somerton                        | \$63,392            | 7,266            |
| Peoria                        | \$945,426    | 108,364    | Wellton                         | \$15,957            | 1,829            |
| Phoenix                       | \$11,525,508 | 1,321,045  | Yuma                            | \$677,766           | 77,685           |
| Queen Creek                   | \$37,655     | 4,316      |                                 |                     |                  |
| Scottsdale                    | \$1,768,508  | 202,705    | <b>TOTAL</b>                    | <b>\$35,435,744</b> | <b>4,062,961</b> |

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**October 2005**

| <b>City</b>                   | <b>Distribution</b> | <b>Population</b> | <b>City</b>                     | <b>Distribution</b> | <b>Population</b> |
|-------------------------------|---------------------|-------------------|---------------------------------|---------------------|-------------------|
| <b><u>Apache County</u></b>   |                     |                   | Surprise                        | \$259,065           | 30,848            |
| Eagar                         | \$33,870            | 4,033             | Tempe                           | \$1,332,150         | 158,625           |
| Springerville                 | \$16,561            | 1,972             | Tolleson                        | \$41,772            | 4,974             |
| St. Johns                     | \$29,797            | 3,548             | Wickenburg                      | \$42,679            | 5,082             |
| <b><u>Cochise County</u></b>  |                     |                   | Youngtown                       | \$25,278            | 3,010             |
| Benson                        | \$39,563            | 4,711             | <b><u>Mohave County</u></b>     |                     |                   |
| Bisbee                        | \$51,145            | 6,090             | Bullhead City                   | \$283,596           | 33,769            |
| Douglas                       | \$138,762           | 16,523            | Colorado City                   | \$27,999            | 3,334             |
| Huachuca City                 | \$14,705            | 1,751             | Kingman                         | \$168,542           | 20,069            |
| Sierra Vista                  | \$317,239           | 37,775            | Lake Havasu City                | \$352,200           | 41,938            |
| Tombstone                     | \$12,631            | 1,504             | <b><u>Navajo County</u></b>     |                     |                   |
| Willcox                       | \$31,350            | 3,733             | Holbrook                        | \$41,294            | 4,917             |
| <b><u>Coconino County</u></b> |                     |                   | Pinetop/Lakeside                | \$30,082            | 3,582             |
| Flagstaff                     | \$444,210           | 52,894            | Show Low                        | \$64,623            | 7,695             |
| Fredonia                      | \$8,700             | 1,036             | Snowflake                       | \$37,456            | 4,460             |
| Page                          | \$57,183            | 6,809             | Taylor                          | \$26,672            | 3,176             |
| Williams                      | \$23,867            | 2,842             | Winslow                         | \$79,950            | 9,520             |
| <b><u>Gila County</u></b>     |                     |                   | <b><u>Pima County</u></b>       |                     |                   |
| Globe                         | \$62,868            | 7,486             | Marana                          | \$113,845           | 13,556            |
| Hayden                        | \$7,491             | 892               | Oro Valley                      | \$268,185           | 31,934            |
| Miami                         | \$16,259            | 1,936             | Sahuarita                       | \$27,227            | 3,242             |
| Payson                        | \$114,382           | 13,620            | South Tucson                    | \$46,106            | 5,490             |
| Winkelman                     | \$3,720             | 443               | Tucson                          | \$4,087,352         | 486,699           |
| <b><u>Graham County</u></b>   |                     |                   | <b><u>Pinal County</u></b>      |                     |                   |
| Pima                          | \$16,704            | 1,989             | Apache Junction                 | \$267,178           | 31,814            |
| Safford                       | \$77,531            | 9,232             | Casa Grande                     | \$211,834           | 25,224            |
| Thatcher                      | \$33,777            | 4,022             | Coolidge                        | \$65,388            | 7,786             |
| <b><u>Greenlee County</u></b> |                     |                   | Eloy                            | \$87,130            | 10,375            |
| Clifton                       | \$21,802            | 2,596             | Florence                        | \$144,515           | 17,208            |
| Duncan                        | \$6,819             | 812               | Kearny                          | \$18,887            | 2,249             |
| <b><u>La Paz County</u></b>   |                     |                   | Mammoth                         | \$14,797            | 1,762             |
| Parker                        | \$26,370            | 3,140             | Maricopa                        | \$41,974            | 4,998             |
| Quartzsite                    | \$28,167            | 3,354             | Superior                        | \$27,327            | 3,254             |
| <b><u>Maricopa County</u></b> |                     |                   | <b><u>Santa Cruz County</u></b> |                     |                   |
| Avondale                      | \$301,349           | 35,883            | Nogales                         | \$175,336           | 20,878            |
| Buckeye                       | \$71,359            | 8,497             | Patagonia                       | \$7,399             | 881               |
| Carefree                      | \$24,581            | 2,927             | <b><u>Yavapai County</u></b>    |                     |                   |
| Cave Creek                    | \$31,308            | 3,728             | Camp Verde                      | \$79,371            | 9,451             |
| Chandler                      | \$1,485,953         | 176,939           | Chino Valley                    | \$68,587            | 8,167             |
| El Mirage                     | \$63,901            | 7,609             | Clarkdale                       | \$28,738            | 3,422             |
| Fountain Hills                | \$169,936           | 20,235            | Cottonwood                      | \$77,086            | 9,179             |
| Gila Bend                     | \$16,628            | 1,980             | Dewey-Humboldt                  | \$28,789            | 3,428             |
| Gilbert                       | \$921,248           | 109,697           | Jerome                          | \$2,763             | 329               |
| Glendale                      | \$1,837,607         | 218,812           | Prescott                        | \$285,015           | 33,938            |
| Goodyear                      | \$158,817           | 18,911            | Prescott Valley                 | \$197,650           | 23,535            |
| Guadalupe                     | \$43,905            | 5,228             | Sedona                          | \$85,594            | 10,192            |
| Litchfield Park               | \$31,997            | 3,810             | <b><u>Yuma County</u></b>       |                     |                   |
| Mesa                          | \$3,340,567         | 397,776           | San Luis                        | \$128,676           | 15,322            |
| Paradise Valley               | \$114,752           | 13,664            | Somerton                        | \$61,021            | 7,266             |
| Peoria                        | \$910,053           | 108,364           | Wellton                         | \$15,360            | 1,829             |
| Phoenix                       | \$11,094,282        | 1,321,045         | Yuma                            | \$652,407           | 77,685            |
| Queen Creek                   | \$36,246            | 4,316             | <b>TOTAL</b>                    | <b>\$34,121,196</b> | <b>4,062,961</b>  |
| Scottsdale                    | \$1,702,339         | 202,705           |                                 |                     |                   |